

STATE SENATOR • MARK SCHAUER • 19TH DISTRICT

Schauer Press Release



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Schauer Introduces Legislation to Rollback Insurance Rates

Legislation protects consumer and forces accountability

LANSING – Senator Schauer along with members of the House and Senate Democratic Caucuses today introduced their legislative package today to address the rising cost of insurance in Michigan. The multi-part package will lower the cost of insurance, strengthen consumer protections and improve industry accountability.

“Affordable, reliable insurance is a critical part of our families’ financial security,” said Governor Jennifer M. Granholm. “I am hopeful that legislative leaders will schedule quick action on this important package.”

The Democratic package consists of 20 initiatives that will strengthen regulations to bring fair, affordable and accessible auto and homeowners’ insurance to Michigan citizens. The package addresses three primary areas of concern: rates, consumer protection and industry accountability. Senator Schauer’s bills include provisions to make the Freedom of Information Act and Open Meetings Act apply to the operations of insurance companies and to provide more opportunities for community leaders to find ways to reduce rates in their communities.

“When citizens are legally bound to such a severe financial burden, we as lawmakers must find ways to guarantee that insurance rates are set in a fair, legal, and ethical way,” said Schauer.

A recent report by the National Association of Insurance Commissioners on the average cost of auto insurance rates found that rates in Michigan are the tenth highest in the nation and the highest in the Midwest. Among other things, the Democratic reform package will:

- Require insurance companies to immediately roll back rates by 20 percent;
- Provide stronger tools to the Insurance Commissioner in determining where rates are excessive and ordering refunds where found;
- Provide flexibility in setting base rates to provide more affordably priced insurance;
- Establish an Office of Insurance Ratepayer Advocate to represent and protect the interests of consumers; and

- Prohibit insurance companies from using an individual's credit history or credit score for determining insurance rates.

"These bills will provide immediate financial relief to Michigan citizens," said Schauer. "If the Speaker of the House and Senate Majority Leader are serious about helping families with the pocket-book issues challenging many family budgets, they will address our bills swiftly and seriously."

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Mark Schauer is the Senate Democratic Floor Leader. He represents the 19th Senate District, which includes all of Calhoun County and most of Jackson County.